

Life insurance companies' new business premium up nearly 23% in Q1FY25

08th July, 2024, [Link](#)

First-year premium of life insurance companies posted nearly 23 per cent year-on-year (Y-o-Y) growth in the April-June period of the current financial year (FY25), tracking healthy double-digit growth among the public and private sector insurers.

According to the data released by the Life Insurance Council, the new business premium (NBP) increased by 22.91 per cent Y-o-Y to Rs 89,726.7 crore in Q1 FY25 from Rs 73,004.87 crore in Q1 FY24.

Life Insurance Corporation of India (LIC) clocked 28.11 per cent growth to Rs 57,440.9 crore in the three-month period ended June 30, 2024, aided by growth in group premium. LIC, the market leader in the group insurance segment, recorded a 33.49 per cent rise in its Group Single premium to Rs 44,671.86 crore in the April-June quarter of FY25 from the same period last year.

On the other hand, private life insurers clocked a 14.62 per cent Y-o-Y improvement in their premium to Rs 32,285.8 crore from Rs 28,167.66 crore, supported by healthy growth in the individual segment.

"Low base effect, increased insurance coverage and increase in single premium drove the growth in life insurance premium in the first quarter of FY25. In the quarter, individual single premiums have seen a decent growth. There is definitely an element of low base, but, in the last two months, the sum assured has also been rising. In FY25, the premiums are likely to grow by nearly 13 per cent," said Saurabh Bhalerao, associate director, CareEdge Ratings.

SBI Life Insurance, the largest private sector life insurer, posted 13 per cent growth in premium to Rs 7,032.69 crore over last year, whereas ICICI Prudential Life Insurance recorded 23.5 per cent growth in premium to Rs 3,768.55 crore.